

Santa Cruz County Economic Forecast

Mild weather, natural beauty, a major university, and proximity to the Silicon Valley are elements that contribute to economic activity and the quality of life in Santa Cruz County. With its spectacular coastline, and accessible beaches and mountains, the county is a popular vacation and recreation area.

Population • January 2003

City	Population	2002-2003 % change
Capitola	10,150	0.5
Santa Cruz	55,600	1.6
Scotts Valley	11,650	1.3
Watsonville	47,700	0.2
Total County	259,800	0.5

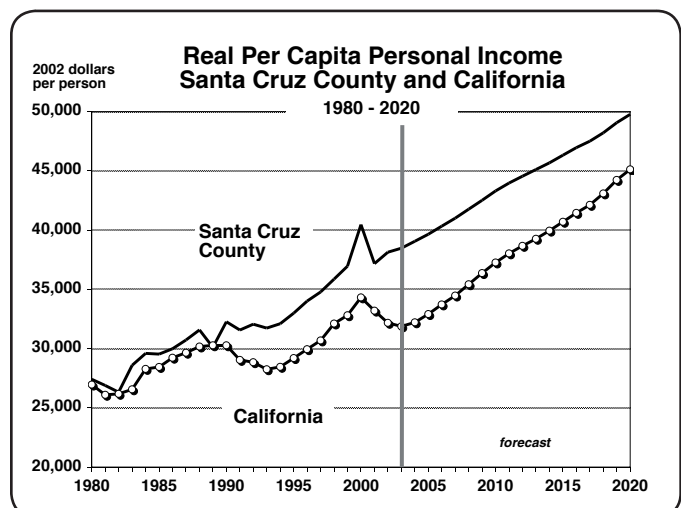
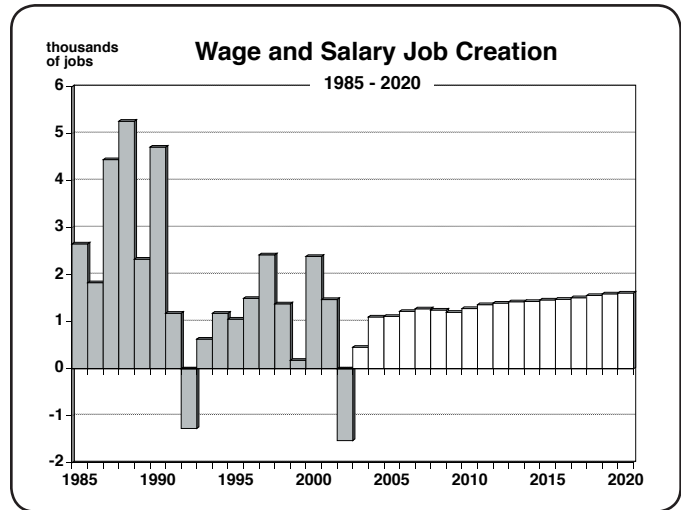
The county is largely dependent upon tourism and recreation. Not surprisingly, the 2002 annual averages show services, retail trade, and government were the dominant employment industries in the county. Services accounted for the largest share of employment with more than 28 percent, and retail trade contributed 26 percent of the total.

Non-farm industry employment projections have the government, services, and retail trade industries dominating growth over the next 5 years. These three industries, combined, are expected to account for 87 percent of the total growth in employment. By the year 2008, government is projected to add nearly 1,000 jobs, and services should add 3,200. Within services, a majority of the new jobs are expected in information technology. The county's retail trade industry will add 950 jobs over the five-year period.

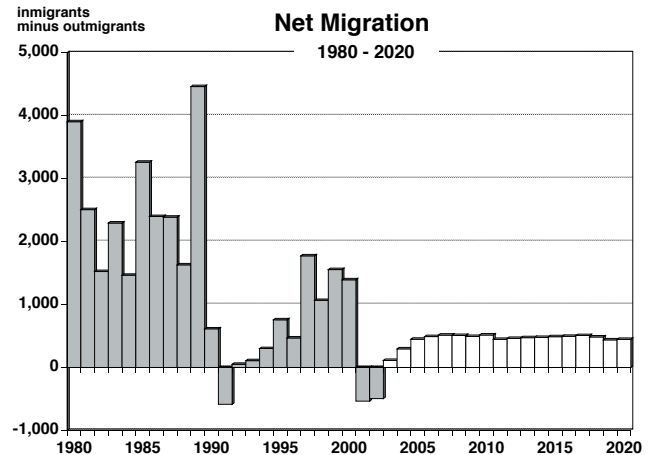
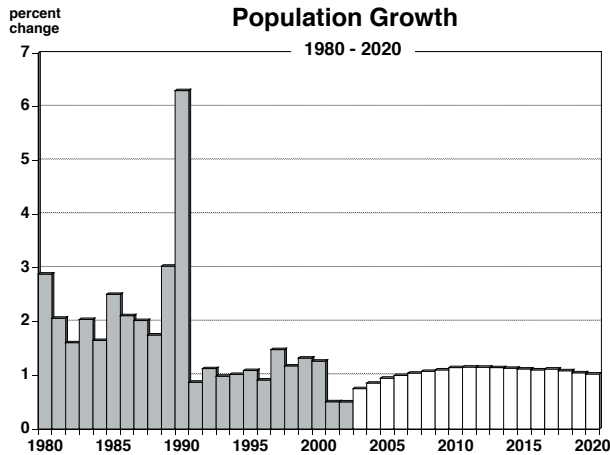
The southern area of Santa Cruz County, part of the fertile Pajaro Valley, is a productive agricultural district yielding strawberries, apples, lettuce, brussels sprouts, and flowers. Food processing firms, closely tied to farming, are located in or near Watsonville, the major community in the region. Employment not directly related to agriculture or tourism, such as computer services, educational services, and electronics-related manufacturing are scattered throughout the county.

Forecast Highlights

- Non-farm employment will grow 1.1 percent per year between 2003 and 2008. Farm employment is forecast to grow 0.4 percent per year over the same time period.



- Between 2003 and 2008, an annual average of 945 new residential units are authorized through the permitting process.
- Population growth slows to 1.0 percent per year between 2003 and 2008. The natural increase in population is responsible for most of the growth in total population. Net migration averages nearly 400 new residents per year.
- Real per capita income rises an average 1.7 percent per year over the next 5 years. The average increase in real per capita for the entire State of California is 2.1 percent over the same period.

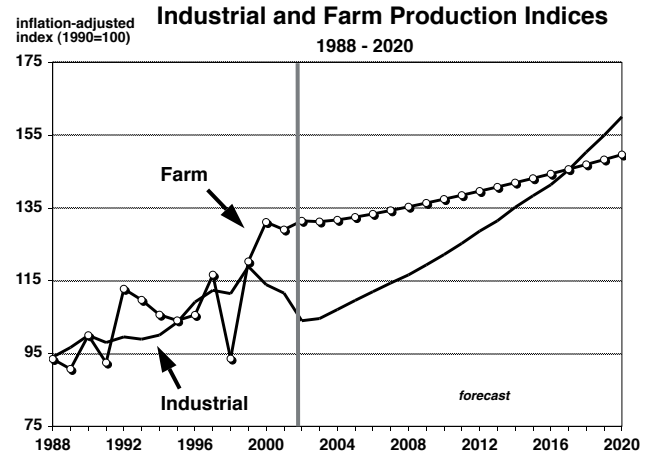
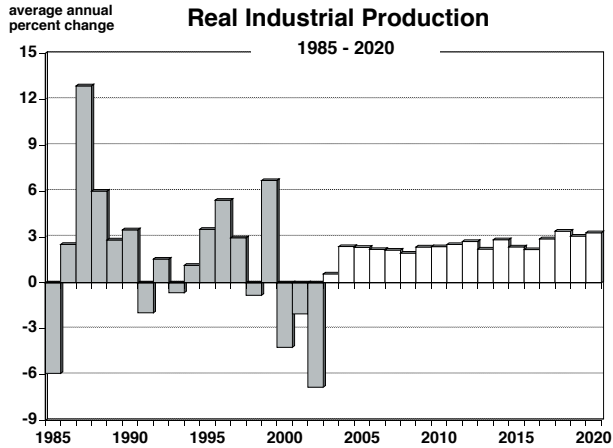


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1995-2002 History, 2003-2020 Forecast

	July Population (people)	Net Migration (people)	Registered Vehicles (thousands)	Households (thousands)	New Homes Permitted (homes)	Retail Sales (billions)	Personal Income (billions)	Real Per Capita Income (dollars)	Farm Crop Value (millions)	Industrial Production (billions)
1995	241,200	758	204	86.3	503	\$1.4	\$6.3	\$32,998	\$235	\$1.5
1996	243,400	470	208	86.6	536	\$1.5	\$6.7	\$34,009	\$244	\$1.6
1997	247,000	1,774	200	86.9	751	\$1.6	\$7.1	\$34,784	\$279	\$1.6
1998	249,900	1,066	215	87.5	639	\$1.7	\$7.7	\$35,868	\$231	\$1.6
1999	253,200	1,556	220	88.0	506	\$1.9	\$8.4	\$36,952	\$309	\$1.7
2000	256,400	1,394	227	91.1	587	\$2.1	\$9.7	\$40,465	\$352	\$1.6
2001	257,700	-534	233	91.5	602	\$2.1	\$9.4	\$37,176	\$365	\$1.6
2002	259,000	-494	235	92.0	842	\$2.1	\$9.9	\$38,132	\$378	\$1.5
2003	260,949	113	237	92.7	911	\$2.2	\$10.3	\$38,473	\$387	\$1.5
2004	263,180	297	241	93.6	955	\$2.2	\$10.9	\$39,054	\$399	\$1.5
2005	265,673	449	244	94.5	958	\$2.3	\$11.4	\$39,659	\$413	\$1.6
2006	268,320	491	247	95.4	952	\$2.4	\$12.1	\$40,329	\$427	\$1.6
2007	271,112	514	251	96.2	959	\$2.5	\$12.7	\$41,010	\$441	\$1.6
2008	274,021	509	254	97.1	940	\$2.6	\$13.5	\$41,771	\$456	\$1.7
2009	277,036	493	257	98.0	892	\$2.8	\$14.2	\$42,517	\$471	\$1.7
2010	280,205	517	261	98.8	860	\$2.9	\$15.1	\$43,306	\$488	\$1.7
2011	283,433	447	265	99.6	873	\$3.0	\$16.0	\$43,978	\$506	\$1.8
2012	286,695	462	267	100.5	922	\$3.2	\$16.8	\$44,549	\$525	\$1.8
2013	289,970	474	269	101.3	802	\$3.3	\$17.8	\$45,112	\$545	\$1.9
2014	293,250	478	271	102.1	801	\$3.5	\$18.7	\$45,675	\$565	\$1.9
2015	296,527	489	271	102.8	735	\$3.7	\$19.8	\$46,324	\$585	\$2.0
2016	299,790	496	273	103.5	731	\$3.8	\$20.9	\$46,966	\$607	\$2.0
2017	303,135	508	273	104.2	702	\$4.0	\$22.1	\$47,508	\$630	\$2.1
2018	306,422	485	274	104.8	743	\$4.2	\$23.4	\$48,209	\$654	\$2.1
2019	309,628	439	276	105.5	747	\$4.4	\$24.8	\$49,070	\$678	\$2.2
2020	312,798	447	276	106.2	757	\$4.6	\$26.1	\$49,770	\$702	\$2.3

- The median home selling price reached \$482,000 during 2002. Many homes today sell for over \$500,000. Real home selling prices are forecast to rise 2.3 percent per year between 2002 and 2007. During the 1997 to 2002 period, the inflation-adjusted median home selling price leaped an average of 11 percent per year.



Total Wage & Salary (000)	Farm (000)	Construction (000)	Mining (000)	Manufacturing (000)	Transportation, Utilities (000)	Wholesale, Retail Trade (000)	Finance, Real Estate (000)	Services (000)	Government (000)
-----employment (jobs)-----									
97.7	11.7	3.2	0.0	12.8	2.5	23.4	3.1	24.2	16.7
99.2	11.7	3.4	0.1	12.7	2.8	23.7	3.0	24.9	16.9
101.6	11.2	3.7	0.1	12.2	3.0	24.6	3.3	25.9	17.6
103.0	11.0	4.0	0.1	11.5	3.1	24.7	3.5	27.2	18.0
103.2	9.1	4.6	0.1	10.6	3.0	25.4	3.7	28.0	18.8
105.6	8.3	4.8	0.0	10.3	2.9	26.2	3.7	29.8	19.5
107.0	7.8	5.1	0.0	10.0	3.0	27.0	3.5	30.6	20.2
105.5	8.3	4.7	0.0	8.7	3.0	27.2	3.5	29.5	20.6
106.0	8.3	4.9	0.0	8.4	3.0	27.3	3.6	30.2	20.3
107.1	8.3	5.0	0.0	8.4	3.0	27.4	3.6	30.9	20.5
108.2	8.4	5.0	0.0	8.3	3.0	27.5	3.7	31.5	20.7
109.4	8.4	5.1	0.0	8.3	3.0	27.7	3.8	32.2	20.9
110.7	8.4	5.1	0.0	8.3	3.0	27.9	3.9	32.8	21.1
111.9	8.5	5.2	0.0	8.4	3.0	28.2	4.0	33.4	21.3
113.1	8.5	5.2	0.0	8.4	3.0	28.5	4.1	34.0	21.4
114.4	8.6	5.2	0.0	8.4	3.0	28.9	4.2	34.6	21.6
115.8	8.6	5.2	0.0	8.5	3.0	29.3	4.3	35.1	21.8
117.2	8.7	5.2	0.0	8.6	3.0	29.7	4.4	35.6	22.1
118.6	8.7	5.2	0.0	8.7	3.0	30.1	4.5	36.0	22.4
120.0	8.8	5.2	0.0	8.8	3.0	30.6	4.6	36.4	22.7
121.5	8.8	5.2	0.0	8.9	3.0	31.1	4.6	36.8	23.1
123.0	8.9	5.2	0.0	9.0	2.9	31.6	4.7	37.2	23.4
124.5	8.9	5.2	0.0	9.2	2.9	32.1	4.8	37.5	23.8
126.1	9.0	5.3	0.0	9.3	2.9	32.6	4.9	37.8	24.2
127.7	9.0	5.3	0.0	9.5	2.9	33.2	5.0	38.0	24.7
129.3	9.1	5.3	0.0	9.7	2.9	33.7	5.1	38.3	25.1

